



This document is scheduled to be published in the Federal Register on 06/30/2016 and available online at <http://federalregister.gov/a/2016-15515>, and on FDsys.gov

Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal No. 15-70)

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Chandelle K. Parker, DSCA/LMO, (703) 697-9027.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 15-70 with attached Policy Justification and Sensitivity of Technology.

Dated: June 27, 2016.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

MAY 11 2016

The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 15-70, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to the Government of Egypt for defense articles and services estimated to cost \$143 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,

J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology
4. Regional Balance (Classified Document Provided Under Separate Cover)



Transmittal No. 15-70

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Egypt

(ii)	<u>Total Estimated Value:</u>	
	Major Defense Equipment*	\$116 million
	Other	<u>\$ 27 million</u>
	TOTAL	\$143 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE) includes:

Twenty (20) UGM-84L Harpoon Block II Encapsulated Missiles
Two (2) Encapsulated Harpoon Certification Training Vehicles (EHCTV)

Non-MDE items also included are containers, spare and repair parts, support and test equipment, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor representative technical assistance, engineering and logistics support services, and other related elements of logistics support.

(iv) Military Department: Navy (XX-P-LFW)

(v) Prior Related Cases, if any:

FMS case ABW-\$48M-12 Nov 97
FMS case ABZ-\$68M-27 Mar 98
FMS Case CAN-\$107M-22 Jan 03

(vi) Sales Commission, Fee, etc., Paid, Offered. or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex

(viii) Date Report Delivered to Congress: 11 May 2016

*as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Egypt - UGM-84L Harpoon Block II Encapsulated Missiles

The Government of Egypt has requested a possible sale of:

Major Defense Equipment (MDE) includes:

Twenty (20) UGM-84L Harpoon Block II Encapsulated Missiles

Two (2) Encapsulated Harpoon Certification Training Vehicles (EHCTV)

Non-MDE items also included are containers, spare and repair parts, support and test equipment, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor representative technical assistance, engineering and logistics support services, and other related elements of logistics support.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a strategic partner that has been and continues to be an important force for political stability and economic progress in the Middle East.

The proposed sale of these submarine-launched missiles will support the Egyptian Navy's Type 209 submarines, increasing its anti-surface warfare and maritime security capabilities. Egypt already possesses Harpoon Block II missiles and will have no difficulty absorbing these additional weapons.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The prime contractor will be The Boeing Company in St. Louis, Missouri. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require annual trips to Egypt involving U.S. Government and contractor representatives for technical reviews, support, and oversight for approximately five years.

There will be no adverse impact on United States defense readiness as a result of this proposed sale.

Transmittal No. 15-70

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act

Annex Item
No. vii

(vii) Sensitivity of Technology:

1. The UGM-84L Harpoon Block II Encapsulated missile system is classified CONFIDENTIAL. The Harpoon missile is a conventional tactical weapon system currently in service in the U.S. Navy and in 29 other foreign nations. It provides day, night, and adverse weather, stand-off capability and is an effective Anti-Surface Warfare missile. The UGM-84L incorporates components, software, and technical design information that are considered sensitive. The following components of the proposed sale are classified CONFIDENTIAL:

- a. The Radar Seeker
- b. The Global Positioning System/Inertial Navigation System (GPS/INS)
- c. Operational Flight Program Software
- d. Missile operational characteristics and performance data

These elements are essential to the ability of the Harpoon missile to selectively engage hostile targets under a wide range of operations, tactical, and environmental conditions.

2. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures which might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities. All defense articles and services listed in this transmittal have been authorized for release and export to Egypt. [FR Doc. 2016-15515 Filed: 6/29/2016 8:45 am; Publication Date: 6/30/2016]